



0000111981

ARIZONA PUBLIC SERVICE

Susan Casady
Regulatory Programs Leader
State Regulation

Tel. 602-250-2709
Fax 602-250-3003
e-mail Susan.Casady@aps.com

Mail Station 9708
PO Box 53999
Phoenix, Arizona 85072-3999

May 26, 2010

ORIGINAL

Docket Control
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

RE: Sterling International Inc. Formal Complaint, Docket E-01345A-10-0136
Account # 737815284 - 260 Cafe, Payson Az.

On May 21, 2010, Staff filed correspondence between David A. Rubin and Arizona Public Service Company ("APS") in the above-referenced matter. The April 20, 2010 letter from APS referenced and attached in David A. Rubin's May 20, 2010 correspondence to Elijah Abinah did not include the attachments referenced therein. Enclosed please find the letter with all attachments from APS to David A. Rubin dated April 20, 2010.

If you have any questions regarding this information, please contact Jennie Vega at (602)250-2038.

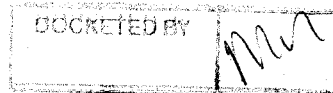
Sincerely,

Susan Casady

SC/sl
Attachment

cc: Steve Olea
Janice Alward
Lyn Farmer

Arizona Corporation Commission
DOCKETED
MAY 26 2010



RECEIVED
2010 MAY 26 PM 4:27
AZ CORP COMMISSION
DOCKET CONTROL



PINNACLE WEST
CAPITAL CORPORATION
LAW DEPARTMENT

Thomas L. Mumaw
Senior Attorney
(602) 250-2052
Direct Line

April 20, 2010

David A. Rubin, Esq.
Rubin & Samuels PLC
3550 North Central Avenue, Suite 1201
Phoenix, Arizona 85012-2111

Re: APS Account Nos.: 922616280, 375400285, 037910284, 737815284, 412474280¹
File No.: 4029R

Dear Mr. Rubin:

In reference to your letter dated April 6, 2010, I have been asked to respond on behalf of Mr. Froetscher. Mr. Froetscher has met with your client on at least two prior occasions. The result of the most recent of these meetings was a letter to Mr. Bien-Willner dated March 18, 2010. A copy of that letter is attached for your convenience. APS has also provided to Mr. Bien-Willner a letter detailing the results of the Company's investigation of his complaint dated April 8, 2010. A copy of that letter is also attached for your convenience. Finally, the matter of the estimated bill at Mr. Bien-Willner's Bridgewater property, left open at the time of Mr. Froetscher's March 18th letter, has now been concluded to the Company's satisfaction and in accordance with Service Schedule 8 (Bill Estimation) as approved by the Arizona Corporation Commission ("ACC"). A copy of the letter dated April 15, 2010 to Mr. Bien-Willner relating to that account is again attached for your convenience.

Simply stated, APS believes all the matters referenced in your April 6th letter have been addressed by the Company and, in most instances, by either the ACC or the Superior Court. Absent any new information of a tangible nature, the Company sees no value to a meeting at this time to go over old territory. If Mr. Bien-Willner has new information concerning any of these past issues, APS

¹ Arizona Public Service Company ("APS" or "Company") records indicated that each of these accounts is in the name of Mr. Bien-Willner, and thus he is considered the customer in each instance.

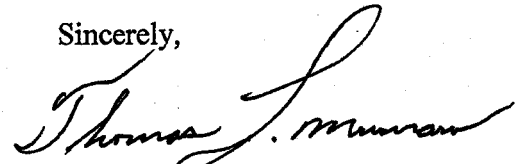
David A. Rubin, Esq.

April 20, 2010

Page 2 of 2

would be happy to receive such information and may then reconsider its position on an additional meeting. And of course, should new issues arise concerning any of Mr. Bien-Willner's accounts, APS encourages him to bring those issues to the Company's attention.

Sincerely,



Thomas L. Mumaw



A subsidiary of Pinnacle West Capital Corporation

Daniel Froetscher
Vice President
Energy Delivery

Tel. 602-250-3331
Fax 602-250-3701
daniel.froetscher@aps.com

Mail Station 9086
PO Box 53999
Phoenix, Arizona 85072-3999

March 18, 2010

(via facsimile: 602/269-1058;
original letter sent U.S. Mail)

Mr. George Bien-Willner
3641 North 39th Avenue
Phoenix, AZ 85004

Dear George:

I'd like to express my thanks to you and John for the time spent during our most recent visit on February 18th regarding our different issues. While there has been some small progress made on several matters, I must admit that I am frustrated – as I am sure you are – at the extended length of time many of these items remain open. Over the past three weeks, I have given careful consideration to all of the unresolved issues and feel compelled to communicate my position regarding the same.

You are aware that Jennie Vega and I took the time in mid-January to visit all of the various properties, with the exception of the 260 Café, on your list of open issues. After personally inspecting the electrical facilities serving your properties, reviewing their outage histories and researching what pre-existing plans APS has in place regarding any improvements or upgrades to these facilities, I strongly disagree with your characterization that APS does not properly maintain or update its facilities. I am satisfied that they are generally in good condition and that the Company has sufficient plans in place to address several locations where improvements are a logical step within our maintenance program. The outages you have experienced at these properties in recent years are principally due to circumstances such as storms, vehicles hitting poles, other third party interferences and normal equipment failures that, while unfortunate, are not in any way caused by a lack of maintenance.

Absent then some other information from you or a formal claim against the Company for specific damage caused by a specific event, I am considering the service reliability issues involving properties at 124 South 24th Street (Sterling International Hotel), 6110 North 7th Street (Seven Springs Apartments) and 6340 North 16th Street (Bridgewater Apartments) as closed.

In regard to the 260 Café, there are two separate issues before us that must remain separate in order for us to proceed to resolution. The first involves a claim for alleged damages at the Café, an issue that remains pending in Superior Court. APS does not have, nor has it received, a completed Company Claim Form with invoices reflecting actual incurred expenses related to this event, or other supporting materials related to your claim. Additionally, I remind you that the cause of the event at the 260 Café was the failure of an underground cable, an equipment failure that frankly is not normally reimbursed by the Company as a foreseeable and preventable event.

Nonetheless, as I stated in our meeting, I am willing to review documentation that substantiates any out-of-pocket expenses you experienced and consider them. I am also willing to arrange for a follow-up visit to the Café in Payson if, upon receipt of documented damages, such a trip is deemed beneficial. Otherwise, APS plans to continue pursuing its position relative to the claim issue through the Superior Court process.



Winner of 2008 Edison Award
In recognition of innovative leadership and
operational excellence in the electric industry

Mr. George Bien-Willner
March 18, 2010
Page 2

The second issue involving the 260 Café involves the service complaint filed formally by you with the Arizona Corporation Commission ("ACC"). As you know, the ACC addressed this matter and considers it closed. Additionally, in the Superior Court lawsuit, APS was granted partial summary judgment on its counterclaim for the unpaid electric bills at the 260 Café, and that issue is closed as well.

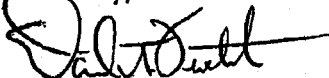
Notwithstanding these events, you have elected not to pay in full the charges for electricity usage at the 260 Café for the period of time within which service was in your name. I believe APS has been more than patient in awaiting payment of these charges; charges reflecting service that was delivered to and received by you as a customer. Therefore, I am advising you that the outstanding balance of \$17,444.99 for service to the 260 Café must be paid no later than April 15, 2010. If payment has not been received by that date, APS will immediately transfer the outstanding balance to Account Number 412474280, for service at 124 South 24th Street (the "24th St. Account") in accordance with applicable APS schedules and as approved by the Arizona Corporation Commission. If the entire April bill for the 24th St. Account, including the billing transfer from the 260 Café, is not paid in full when it becomes due, then APS will have no choice but to exercise its rights to terminate service at the 24th St. Account. I realize that the amount outstanding from the 260 Café is sizable, and I am willing to discuss payment arrangements with you on this amount, provided such arrangements are reflective of the 260 Café charges as transferred to the 24th St. Account, are reasonable and have your full commitment in honoring them.

Finally, I have asked Angela Allison and/or Jennie to work with you to resolve any outstanding issues regarding the monthly energy charges at 6340 North 16th Street (Bridgewater), the location at which the meter was mysteriously removed by an unknown person for a period of ten days in 2009. A statement for electricity usage, both estimated and actual, will be rendered and, absent payment arrangements acceptable to APS, will be due and payable within the terms of the rendered monthly bill.

George, I remain committed to working with you cooperatively to resolve these or other issues you may have with APS. I am not, however, inclined to allow matters to simply "float" in perpetuity, as for any given dispute, we (APS and you) should be able to identify the issue and pertinent facts and determine a course of action. I realize we may not agree on a given resolution, in which case we simply will need to agree to disagree, with each party then embarking on alternative courses of action as each may deem appropriate.

I appreciate the time you have spent on these issues and hope you can appreciate my position. If you wish to consider payment arrangements for the charges associated with the 260 Café or have other questions or concerns, please feel free to contact me or Jennie (602/250-2038 or Jennie.Vega@aps.com). I thank you for the opportunity to be of service.

Sincerely,



DTF:ml

cc: Jennie Vega, APS
Angela Allison, APS



A subsidiary of Pinnacle West Capital Corporation

Jennie Vega
Consumer Advocate Leader
Regulation and Pricing

Tel. 602-250-2038
Fax 602-250-2048
e-mail Jennie.Vega@aps.com

Mail Station 9708
PO Box 53999
Phoenix, Arizona 85072-3999

April 14, 2010

George Bien-Willner
3641 North 39th Avenue
Phoenix, AZ 85004

Re: Sterling International Inc. Formal Complaint, Docket E-01345A-10-0136
Account # 737815284 - 260 Café, Payson Az.

Dear Mr. Bien-Willner,

Arizona Public Service Company ("APS" or "Company") has received the formal complaint you filed with the Arizona Corporation Commission ("ACC") on April 8, 2010. The Company will answer your formal complaint in the timeframe required by Arizona Administrative Code ("AAC"). However, in the mean time, I am specifically responding to you as our customer, on the issue raised concerning the electric bills at the 260 Café for the 15 month period (November 2007 to December 2008) when you allege the restaurant was completely closed and out of business. This response is required by AAC Regulation 14-2-212 and is in addition to a formal answer to your formal complaint.

APS has previously provided you with information concerning the accuracy of the electric meters used to measure service at the 260 Café since you established electric service in your name on April 29, 2005. On September 21, 2005 APS provided the ACC and you a letter with the test results for electric meter #753563 (attachment #1). As stated in the letter, meter #753563 was removed from service at the 260 Café on August 26, 2005 in the presence of ACC Staff, Ms. Connie Walczak and Mr. Prem Bahl. Ms. Walczak and Mr. Bahl were also present for testing of the meter on September 6, 2005.

APS installed meter #G90705 on August 26, 2005 and that meter has and will continue to remain in service at the 260 Café. Meter #G90705 was tested on July 30, 2005, prior to installation at the 260 Café, and found to be accurate and properly recording energy. The meter tested 0.0 % on a full load and -0.2% on a light load (attachment #2).

Letter to George Bien-Willner
April 14, 2010
Page 2 of 2

After receiving the April 8, 2010 formal complaint, APS personnel went to the 260 Café on April 13, 2010 to once again test meter #G90705. This most recent test, again confirmed the meter to be accurate and properly recording the energy used. The meter tested -0.2% on a full load and -0.2 % on a light load (attachment #3).

All three meter tests conducted by APS while investigating your concerns demonstrate the electric meters recording energy at the 260 Café are well within the 3.0% plus or minus deviation limit required by ACC. Thus, I can assure you that you were billed only for the energy recorded by the meter recording energy for your business.

Additionally, while there is no discussion or explanation in your complaint regarding your specific concerns with the rounding of kW reads, the 3rd page attachment to your complaint appears to be a list of kW reads at the 260 Café from October 16, 2007 through October 26, 2009, and you have specifically identified reads that were rounded up or down. Therefore, I am assuming this is a concern you wanted addressed.

For your convenience, I have attached a copy of APS's E-32 General Service rate which was approved by the ACC and in effect on the dates listed (attachment #4). As you can see, the E-32 rate only assesses a demand charge on monthly kW demands greater than 20 kW. Therefore, none of the bills on your summary were assessed a demand charge. I have attached a copy of your September 2009 bill (attachment #5) showing there were no charges associated with the kW demand read. If you would like to review other bills for the timeframe in question, these can be seen on line by accessing your account records at aps.com.

Thank you for the opportunity to address these matters. As stated above, APS will be responding formally to the ACC formal complaint within the timeframe required in the Arizona Administrative Code. In the mean time, if you have any additional questions regarding the matters addressed in this letter, please call me at 602-250-2038.

Sincerely,



Jennie Vega

JV/sl
Attachments

cc: Docket Control
Connie Walczak
David Rubin



A subsidiary of Pinnacle West Capital Corporation

P.O. Box 53999
Phoenix, AZ 85072-3999
<http://www.aps.com>

September 21, 2005

Ms. Connie Walczak
ACC Consumer Services Manager
1200 W Washington Street
Phoenix AZ 85007

RE: Account # 737815284 - 260 Café, Payson Az.

Dear Connie:

I would like to thank you and Mr. Prem Bahl for being present at the exchange of the electric meter at the 260 Café in Payson on August 26, 2005 and also for being present when the meter was tested on September 6, 2005.

As you know from your observation of the test for electric meter #753563, our investigation found the meter to be accurate and properly recording the energy used. The meter tested - 0.1 % on a full load and -1.4 % on a light load. The demand portion of the meter tested at -0.1 %. These results are well within the 3.0% plus or minus deviation limit required by the Arizona Corporation Commission (ACC). I have enclosed the copy of the test results you requested.

As we previously discussed, I have extended the collection hold on Mr. Bien-Willner's account for the 260 Café until October 5, 2005 in order for you to review these results with Mr. Bien-Willner. After October 5th, unless I hear differently from you, normal collection monitoring and activity will resume on the account.

Separate from the matter of the meter test, the letter Mr. Bien-Willner sent to you dated August 31, 2005 was forwarded to my attention on September 13, 2005.

I have reviewed this letter with Mr. Jerry Hawkins, the APS Construction Supervisor who met with you at the 260 Café on August 26th. Mr. Hawkins tells me you asked him about Mr. Bien-Willner's belief that the demand seal (referred to by Mr. Bien-Willner as a tag), on the meter was removed by the APS serviceman when he went to exchange the meter on the evening of August 10th and Mr. Hawkins told you that he would need to check with the APS serviceman to find out if that was the case. Mr. Hawkins spoke with the APS serviceman who advised him that he did not remove the demand seal from the meter. In fact, when the APS serviceman arrived at the 260 Café on the evening of August 10th, Ms. Lori Oxford met him and told him the owner of the Café did not want the meter exchanged. The APS serviceman left without touching the meter.

Connie, as we discussed at the time the meter was being tested, it is not possible for APS to determine who removed the demand seal or when it was removed, however, as we

explained and demonstrated during the meter test, the purpose of a demand seal is to ensure the an unauthorized individual has not reset the demand portion of the meter to zero before the regular, monthly meter reading. There is no reason or benefit for APS to remove a demand seal.

For clarification, let me reiterate that the current meter at the 260 Café (#G90705) is read and reset with a probe and therefore the demand reset mechanism has been sealed with a metal clip rather than the plastic demand seal used on meters that are manually reset. Additionally, both the current and previous meters at the 260 Café do not have a multiplier and therefore, a multiplier indicator is not shown on the face of the meter.

The information on how to read electric meters has been provided to Mr. Bien-Willner in my prior correspondence, however, I have enclosed information on how to read meters with the copy of this letter to him.

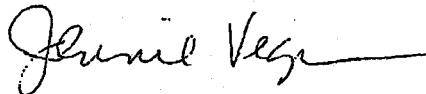
In his letter, Mr. Bien-Willner has stated that APS failed to respond promptly and safely to the power outage at the 260 Café over the Memorial Day weekend and that we have ignored his damage claims. Both of these issues have been addressed in my prior written response to the complaint he filed with the ACC.

Finally, both you and Mr. Hawkins have advised me there is an area behind the parking lot, approximately 20 feet from the transformer where the dirt has settled and is sinking in and that when asked, Mr. Bien-Willner stated he had not called APS to report this problem. Mr. Hawkins explained that this is not an uncommon occurrence after digging to replace lines and it is customary for APS to fix these problems by having a contractor add dirt and tamp it down.

Connie, I have asked you to confirm with Mr. Bien-Willner that he has no objections to APS sending a contractor to complete the work of adding more dirt in the area where it has settled and I am waiting for confirmation from you.

Please let me know if you have any additional questions or concerns regarding this matter.

Sincerely,



Jennie Vega
Consumer Advocate Leader

cc. Prem Bahl
George Bien-Willner

Meter Information System - [Update Meter Tests]

DATE: 12/15/2004 TIME: 10:05:28 AM

METER ID: TB12 - RFL5800

COMPLAINT: COMPLAINT

TEST RESULTS:

TEST POINT	TEST TYPE	TEST RESULT
35044		
4.0		
0.0		
-1.4		
-0.1		
99.0		

TEST RESULTS:

TEST POINT	TEST TYPE	TEST RESULT

ACC complaint test, t-seal ok, missing demand seal, cover ok. Meter tested with witnesses from the ACC as well as APS consumer advocates office. Meter tested with in ACC limits at all test points- both series and demand.

The screenshot shows the "Meter Information System" application window. The title bar includes standard Windows controls and menu options: File, Edit, Tools, Window, Help.

Main Form Fields:

- Owner:** APS
- Meter Number:** E-06890
- Manufacturer #:** 030282244
- Search:** [Empty field]
- Test Details | Meter Information | Notes:** Tabs at the top.
- Tester:** 1 JUL
- Type:** Field (selected), Shop, Complaint
- F/S Test Date:** 07/30/2005
- Test Equipment:** TB11 - RFL5800
- Test Reason Type:** ROUTINE/RECONDITION
- Reason Code:** [Empty dropdown]
- Status:** GET
- Retire:** [Empty dropdown]

Read Section:

No	Read	Registration/Percentage of Error (+/- 0.1)
1	0.0	As Found FL% 0.0
2	0.0	As Left PF% [Empty] LL% 0.2
3	[Empty]	Demand Meter AS Found Kw% 0.0
4	[Empty]	AS Left Kw% [Empty]

Reconfigure:

- Code:** C33318
- Program ID:** 13

Burden Test Result:

CT Number	Result

Remark:

25 rev ck good/no creep/mtr ok

Action Buttons: New Test, Add, Update, Delete, Previous, Next, Exit

Taskbar: Shows various background applications like start, W, Microsoft..., 5 Day..., Meter I..., and Search Desktop. The system clock indicates 9:58 AM.

Meter Information System

File Edit Tools Window Help

Update Meter Tests

Owner: APS

Meter Number: Manufacturer #: 03022244 Search

Test Details | Meter Information | Notes

Tester: 1. JZ 2. Type: ☐ Field ☐ Shop ☒ Complaint F/S Test Date: 04/14/2010

Test Equipment: UNKNOWN - UNKNOWN ☐ Remain in Shop

Test Reason Type: COMPLAINT

Reason Code:

Status: SET Retest

Read

No	Read	Registration/Percentage of Error (e.g. +0.1)	As Found	As Left	Demand Meter
1	59.16	FLX	-0.2	FLX	AS Found KW%
2	20.500	PF%	0.0	PF%	AS Left KW%
3		LLX	-0.2	LLX	
4					

Reconfigure

Code: C83318 Program ID: 13

Remark

RM-17-01 (S/N 801982) TEST SET. METER TESTED WELL WITHIN APS AND ACC LIMITS. SEAL TO SERVICE WIRE COVER WAS MISSING. ALL OTHER SEALS WERE O.K. METER REGISTRATION IS ACCURATE AS WELL. METER INTERNAL PROGRAMS ARE CORRECT. METER IS GOOD.

Burden Test Result

CT Number	Result

New Test Add Update Delete Previous Next Exit

More meter tests available

start Microsoft... Search Desktop 9:54 AM



**RATE SCHEDULE E-32
GENERAL SERVICE**

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served.

APPLICATION

This rate schedule is applicable to all Standard Offer and Direct Access electric service required when such service is supplied at one point of delivery and measured through one meter. Rate selection is subject to paragraphs 3.2 through 3.5 of the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services.

This schedule is not applicable to breakdown, standby, supplemental, residential or resale service nor to service for which Rate Schedule E-34 is applicable.

TYPE OF SERVICE

The type of service provided under this schedule will be single or three phase, 60 Hertz, at one standard voltage as may be selected by customer subject to availability at the customer's site. Three phase service is furnished under the Company's Schedule 3 (Conditions Governing Extensions of Electric Distribution Lines and Services). Three phase service is not furnished for motors of an individual rated capacity of less than 7-1/2 HP, except for existing facilities or where total aggregate HP of all connected three phase motors exceeds 12 HP. Three phase service is required for motors of an individual rated capacity of more than 7-1/2 HP. Service under this schedule is generally provided at secondary voltage, primary voltage when the customer owns the distribution transformer(s), or transmission voltage.

RATES

The bill shall be computed at the following rates or the minimum rates, whichever is greater, plus any adjustments incorporated in this rate schedule:

FOR MONTHLY MAXIMUM DEMANDS OF 20 kW OR LESS

Bundled Standard Offer Service

Basic Service Charge:

For service through Self-Contained Meters:	\$ 0.575	per day, or
For service through Instrument-Rated Meters:	\$ 1.134	per day, or
For service at Primary Voltage:	\$ 2.926	per day, or
For service at Transmission Voltage:	\$22.422	per day



**RATE SCHEDULE E-32
GENERAL SERVICE**

RATES (cont)

FOR MONTHLY MAXIMUM DEMANDS OF 20 kW OR LESS (cont)

Bundled Standard Offer Service (cont)

Energy Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
For Secondary Service: \$0.11438 per kWh for the first 5,000 kWh, plus \$0.06254 per kWh for all additional kWh, or	For Secondary Service: \$0.09929 per kWh for the first 5,000 kWh, plus \$0.04745 per kWh for all additional kWh, or
For Primary Service: \$0.11160 per kWh for the first 5,000 kWh, plus \$0.05976 per kWh for all additional kWh	For Primary Service: \$0.09651 per kWh for the first 5,000 kWh, plus \$0.04467 per kWh for all additional kWh

Bundled Standard Offer Service consists of the following Unbundled Components:

Unbundled Components

Basic Service Charge:	\$ 0.108	per day
Revenue Cycle Service Charges:		
Metering:		
Self-Contained Meters:	\$ 0.345	per day, or
Instrument-Rated Meters:	\$ 0.904	per day, or
Primary:	\$ 2.696	per day, or
Transmission:	\$22.192	per day

These daily metering charges apply to typical installations. Customers requiring specialized facilities are subject to additional metering charges that reflect the additional cost of the installation, (for example, a customer taking service at 230 kV). Adjustments to unbundled metering components will result in an adjustment to the bundled Basic Service Charge.

Meter Reading:	\$ 0.058	per day
Billing:	\$ 0.064	per day
System Benefits Charge:	\$ 0.00185	per kWh
Transmission Charge:	\$ 0.00424	per kWh



**RATE SCHEDULE E-32
GENERAL SERVICE**

RATES (cont)

FOR MONTHLY MAXIMUM DEMANDS OF 20 kW OR LESS (cont)

Unbundled Components (cont)

Delivery Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
For Secondary Service: \$0.03462 per kWh for the first 5,000 kWh, plus \$0.01045 per kWh for all additional kWh, or	For Secondary Service: \$0.03455 per kWh for the first 5,000 kWh, plus \$0.01038 per kWh for all additional kWh, or
For Primary Service: \$0.03184 per kWh for the first 5,000 kWh, plus \$0.00767 per kWh for all additional kWh	For Primary Service: \$0.03177 per kWh for the first 5,000 kWh, plus \$0.00760 per kWh for all additional kWh

Generation Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
\$0.07367 per kWh for the first 5,000 kWh, plus \$0.04600 per kWh for all additional kWh	\$0.05865 per kWh for the first 5,000 kWh, plus \$0.03098 per kWh for all additional kWh

FOR MONTHLY MAXIMUM DEMANDS GREATER THAN 20 kW

Bundled Standard Offer Service

Basic Service Charge:

For service through Self-Contained Meters:	\$ 0.575	per day, or
For service through Instrument-Rated Meters:	\$ 1.134	per day, or
For service at Primary Voltage:	\$ 2.926	per day, or
For service at Transmission Voltage:	\$22.422	per day

Demand Charge:

Secondary Service:	\$ 8.477per kW for the first 100 kW, plus \$ 4.509per kW for all additional kW, or
Primary Service:	\$ 7.865per kW for the first 100 kW, plus \$ 3.897per kW for all additional kW, or
Transmission Service:	\$ 6.132per kW for the first 100 kW, plus \$ 2.164per kW for all additional kW



**RATE SCHEDULE E-32
GENERAL SERVICE**

RATES (cont)

FOR MONTHLY MAXIMUM DEMANDS GREATER THAN 20 KW (cont)

Bundled Components (cont)

Energy Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
\$0.09115 per kWh for the first 200 kWh per kW, plus \$0.05330 per kWh for all additional kWh	\$0.07613 per kWh for the first 200 kWh per kW, plus \$0.03828 per kWh for all additional kWh

Bundled Standard Offer Service consists of the following Unbundled Components:

Unbundled Components

Basic Service Charge: \$ 0.108 per day

Revenue Cycle Service Charges:

Metering:

Self-Contained Meters:	\$ 0.345	per day, or
Instrument-Rated Meters:	\$ 0.904	per day, or
Primary:	\$ 2.696	per day, or
Transmission:	\$22.192	per day

These daily metering charges apply to typical installations. Customers requiring specialized facilities are subject to additional metering charges that reflect the additional cost of the installation, (for example, a customer taking service at 230 Kv). Adjustments to unbundled metering components will result in an adjustment to the bundled Basic Service Charge.

Meter Reading: \$ 0.058 per day

Billing: \$ 0.064 per day

System Benefits Charge: \$ 0.00185 per kWh

Transmission Charge: \$ 1.585 per kW

Delivery Charge:

Secondary Service: \$ 6.892 per kW for the first 100 kW, plus
\$ 2.924 per kW for all additional kW, plus
\$ 0.00010 per kWh, or

Primary Service: \$ 6.280 per kW for the first 100 kW, plus
\$ 2.312 per kW for all additional kW, plus
\$ 0.00010 per kWh, or



**RATE SCHEDULE E-32
GENERAL SERVICE**

RATES (cont)

FOR MONTHLY MAXIMUM DEMANDS GREATER THAN 20 KW (cont)

Unbundled Components Delivery Charges (cont)

Transmission Service:	\$ 4.547	per kW for the first 100 kW, plus
	\$ 0.579	per kW for all additional kW, plus
	\$ 0.00010	per kWh

Generation Charge:

May – October Billing Cycles (Summer)	November – April Billing Cycles (Winter)
\$0.08920 per kWh for the first 200 kWh per kW, plus \$0.05135 per kWh for all additional kWh	\$0.07418 per kWh for the first 200 kWh per kW, plus \$0.03633 per kWh for all additional kWh

DIRECT ACCESS

The bill for Direct Access customers under this rate schedule will consist of the applicable Unbundled Components Basic Service Charge, System Benefits Charge, and Delivery Charge, plus any applicable adjustments incorporated in this schedule. Direct Access customers must acquire and pay for generation, transmission, and revenue cycle services from a competitive third party supplier. If any revenue cycle services are not available from a third party supplier and must be obtained from the Company, the applicable Unbundled Components Revenue Cycle Service Charges will be applied to the customer's bill.

MINIMUM

The bill for Standard Offer and Direct Access customers will not be less than the applicable Bundled Standard Offer Service Basic Service charge plus \$1.910 for each kW of either: (1) the highest kW established during the twelve (12) months ending with the current month; or (2) the minimum kW specified in an agreement for service, whichever is the greater.

POWER FACTOR

The customer deviation from phase balance shall not be greater than ten percent (10%) at any time. Customers receiving service at voltage levels below 69 kV shall maintain a power factor of 90% lagging but in no event leading unless agreed to by Company. Service voltage levels at 69 kV or above shall maintain a power factor of \pm 95% at all times. In situations where Company suspects that a customer's load has a non-confirming power factor, Company may install at its cost, the appropriate metering to monitor such loads. If the customer's power factor is found to be non-confirming, the customer will be required to pay the cost of installation and removal of VAR metering and recording equipment.

Customers found to have a non-confirming power factor, or other detrimental conditions shall be required to remedy problems, or pay for facilities/equipment that Company must install on its system to correct for problems caused by the customer's load. Until such time as the customer remedies the problem to Company satisfaction, kVa may be substituted for kW in determining the applicable charge for billing purposes for each month in which such failure occurs.



**RATE SCHEDULE E-32
GENERAL SERVICE**

DETERMINATION OF KW

For billing purposes, including determination of Monthly Maximum Demands, the kW used in this rate schedule shall be based on the average kW supplied during the 15-minute period of maximum use during the month as determined from readings of the Company's meter.

ADJUSTMENTS

1. The Environmental Portfolio Surcharge shall be applied to every retail electric service as set forth in the Company's Adjustment Schedule EPS-1 or successor schedules as approved by the Arizona Corporation Commission.
2. The bill is subject to the Power Supply Adjustment factor as set forth in the Company's Adjustment Schedule PSA-1 pursuant to Arizona Corporation Commission Decision No. 67744 and Arizona Corporation Commission Decision No. 69663.
3. The bill is subject to the Transmission Cost Adjustment factor as set forth in the Company's Adjustment Schedule TCA-1 pursuant to Arizona Corporation Commission Decision No. 67744.
4. The bill is subject to the Environmental Improvement Surcharge as set forth in the Company's Adjustment Schedule EIS pursuant to Arizona Corporation Commission Decision No. 69663.
5. The bill is subject to the Competition Rules Compliance Charge as set forth in the Company's Adjustment Schedule CRCC-1 pursuant to Arizona Corporation Commission Decision No. 67744.
6. Direct Access customers returning to Standard Offer service may be subject to a Returning Customer Direct Access Charge as set forth in the Company's Adjustment Schedule RCDAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.
7. The bill is subject to the Demand Side Management Adjustment charge as set forth in the Company's Adjustment Schedule DSMAC-1 pursuant to Arizona Corporation Commission Decision No. 67744.
8. The bill is subject to the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of APS and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

CONTRACT PERIOD

For customers with monthly maximum demands less than 2,000 kW, any applicable contract period will be set forth in the Company's standard agreement for service. For customers with monthly maximum demands of 2,000 kW or greater, and at the Company's option, the contract period will be three (3) years or longer where additional distribution construction is required to serve the customer or, if no additional distribution construction is required, the contract period will be one (1) year or longer.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Schedule 1, Terms and Conditions for Standard Offer and Direct Access Services and the Company's Schedule 10, Terms and Conditions for Direct Access. These schedules have provisions that may affect the customer's bill. In addition, service may be subject to special terms and conditions as provided for in a customer contract or service agreement.

ARIZONA PUBLIC SERVICE COMPANY
Phoenix, Arizona
Filed by: David J. Rumolo
Title: Manager, Regulation and Pricing
Original Effective Date: November 1, 1983

A.C.C. No. 5659
Canceling A.C.C. No. 5579
Rate Schedule E-32
Revision No. 20
Effective: July 1, 2007

Your electricity bill

Bill date: September 16, 2009

Summary of what you owe

Amount owing on your previous bill	\$16,222.89
Less Payment made on Aug 27, thank you	-\$260.00
Equals Your balance forward	\$15,962.89
Plus Your new charges (details on following pages)	
Cost of electricity (with taxes and fees)	\$810.46
Equals Total amount due	\$16,773.35

Due date: September 29, 2009

GEORGE BIEN WILLNER

Your account number: 737815284

For service at: 803 E Highway 260

Questions or Office Locations?
Call 602-371-8767 or 1-800-253-9407,
Mon - Fri, 7:30am - 5:00pm
Website: aps.com
Para servicio en español llame al:
602-371-8861 (Phoenix) o
1-800-252-9410 (Otras areas)

Register at aps.com and enjoy added convenience and benefits.

- Schedule automatic, online payments for peace of mind
- Stop your paper bill and get e-billing to reduce clutter and save paper
- View your account balance, usage history and prior bills anytime
- Sign up for AutoPay, our direct debit program, and get a discount every month
- Easily view and manage your account without hunting for the bills

Register now at aps.com, and enjoy your benefits as an online customer.

Page 1 of 3

See page 2 for more information.



Your account number
737815284

Bill date
September 16, 2009

Mailing address or phone number change?
Please call 1-800-253-9407.

GEORGE BIEN WILLNER
3641 N 39 AVE
PHOENIX AZ 85019-3601

When paying in person, please
bring the bottom portion of your bill.

Total amount due: **\$ 16,773.35**

Your optional contribution
to SHARE: \$ _____

Total amount paid: \$ _____

Due date: **Sep 29, 2009**

Save energy, save money with
energy training workshops. Visit
www.aps.com/businessrebates.

X

10 N 1 63

000000007378152847020090916001596289600167733568 000



Things you need to know

Contacting APS

- E-mail us at aps@aps.com
- Call us at:
802-371-6761 (Phoenix) or 800-253-9409 (Other areas)
Mon-Fri, 7:30 am - 5:00 pm
- Para servicio en español llame al:
802-371-8884 (Phoenix) o 800-253-9410 (Other areas)
- TDD - Telecommunication for the deaf or speech-impaired,
call: 802-371-6123 (Phoenix) or 1-888-874-7168 (Other areas)
- By mail: APS, Station 3200, PO Box 53833,
Phoenix AZ 85072-3833
- Blue Stake - Before you dig, call:
802-263-1100 (Phoenix) or 1-800-782-5348 (Other areas)
- Electrical emergencies other than power outages, call:
802-258-5483 (Phoenix) or 1-800-253-9408 (Other areas)

Important billing and collection information

Make checks payable to APS and mail to:
APS, PO Box 2906, Phoenix AZ 85062-2906

Credit and Collections:
802-371-7807 (Phoenix) or 1-800-253-9409 (Other areas)

All bills for utility services are due and payable no later than 15 days from the date of the bill. Any payments not received within this time-frame shall be considered delinquent and are subject to a late payment charge of 1.5% per month.

If your power is shut off for non-payment, you must pay all the delinquent amounts and a deposit or additional deposit before power is restored.

When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic funds transfer from your account or to process the payment as a check transaction. When we process your check electronically you will not receive your check back from your financial institution and funds may be withdrawn from your account on the same day we receive your payment.

Utility regulations and rates (Not an APS payment site)

Electricity regulations and rates are approved by:
Arizona Corporation Commission,
1200 W Washington, Phoenix AZ 85007
802-542-4251 (Phoenix) or 1-800-222-7000 (Other areas)
www.cc.state.az.us

Page 2 of 3

Sign up for SurePay with your mailed-in payment!

George Blen Willner Phone ()

Optional. Share Contribution to be added to my Monthly Bill (\$1 to \$9) \$

My signature authorizes APS to electronically debit my bank account on the billing due date to pay the total amount due each month. Use the enclosed check payment to set up automatic payments. To terminate SurePay, I will contact APS. (intended for mailed-in payments only.)

Signature:

APS
PO BOX 2906
PHOENIX AZ 85062-2906
(850622906066)

Your electricity bill
September 16, 2009

GEORGE BIEN WILLNER

Your account number
737815284

Your service plan: E-32 Rate

Meter number: G90705
Meter reading cycle: 10

Charges for electricity services

Cost of electricity you used

Basic service charge	\$3.46
Delivery service charge	\$179.66
Demand charge - delivery	\$0.00
Environmental benefits surcharge	\$48.07
Federal environmental improvement surcharge	\$0.90
Competition rules compliance charge	\$1.90
System benefits charge	\$10.41
Power supply adjustment*	\$30.04
Metering*	\$11.04
Meter reading*	\$1.86
Billing*	\$2.05
Generation of electricity*	\$397.24
Transmission and ancillary services*	\$23.86
Transmission cost adjustment*	\$10.63
Interim rate surcharge	\$12.72
Cost of electricity you used	\$733.84

Taxes and fees

Regulatory assessment	\$1.60
State sales tax	\$41.75
County sales tax	\$7.45
City sales tax	\$15.80
Franchise fee	\$10.02
Cost of electricity with taxes and fees	\$810.46

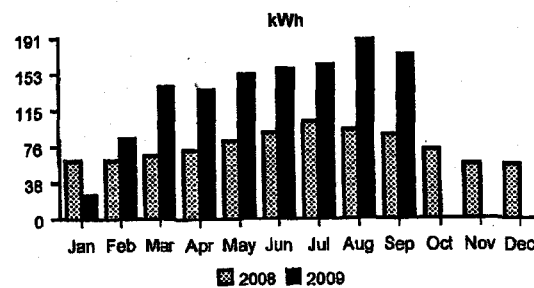
Total charges for electricity services \$810.46

* These services are currently provided by APS but may be provided by a competitive supplier.

Amount of electricity you used

Meter reading on Sep 14	32851
Meter reading on Aug 13	27223
Total electricity you used, in kWh	5628
Demand meter reading	19.90
Your billed demand in kW	20.0

Average daily electricity use per month



Comparing your monthly use

	This month	Last month	This month last year
Billing days	32	29	33
Average outdoor temperature	90°	84°	89°
Your total use in kWh	5628	5560	2998
Your billed demand in kW	20.0	19.0	5.0
Your average daily cost	\$25.32	\$27.67	\$13.01

X



A subsidiary of Pinnacle West Capital Corporation

P.O. Box 53999
Phoenix, AZ 85072-3999
www.aps.com

April 15, 2010

Mr. George Bien-Willner
3641 N. 39th Avenue
Phoenix, AZ 85019-3601

RE: The Bridgewater Apartments
APS Account No. 037910284

Dear Mr. Bien-Willner:

This letter is a follow up to Daniel Froetscher's letter to you dated March 18, 2010.

As you know, and as previously discussed in my October 26, 2009 email to John Miranda, APS estimated the August 2009 bill for the Bridgewater Apartments (6340 N. 16th Street, Phoenix) in accordance with the Company's Service Schedule 8 for Bill Estimation which was approved by the ACC (attachment # 1).

Mr. Miranda contacted APS in late October 2009 and explained that he felt the estimate of the August 2009 bill was too high due to a decrease in the occupancy rate at the apartment complex. After my discussion with Mr. Miranda, I thoroughly reviewed the account's usage history for timeframes before and after the estimate, and by taking into consideration the information he provided, I agreed to make a further adjustment to the estimated bill.

As part of my review, I identified that the previous meter (# F33996) registered daily meter reads through 08/21/09 at which time it was removed by an unknown person. APS installed a replacement meter (# F34012) on 08/31/09. APS then replaced meter # F34012 with a smart meter (# R69718) at the Bridgewater Apartments on 09/09/09. The smart meter allows APS to remotely read the meter by using radio frequency rather than a phone line.

As stated earlier, the first estimate of the August 2009 bill was done in accordance with Schedule 8. Specifically, Section 3.1., which states, "The estimate will be based on the customer-specific prior month's energy consumption unless that month was an initial bill." This estimate was for 55,520 kWh's used over 30 days which is a daily average of 1,851 kWh's per day.

As part of my review, and in addition to considering the information provided by Mr. Miranda, I analyzed energy usage for timeframes before and after the meter was replaced as well as the weather statistics for the Metro Phoenix area during the time in question to ensure I was making an apples to apples comparison. I determined it was appropriate to re-estimate seven days of the August 2009 bill and three days of the September 2009 bill

as all other consumption at the Bridgewater Apartments was billed based on actual energy usage.

The seven estimated days (08/21/09 to 08/28/09) in the August 2009 bill were based on the actual per day usage (1,717 kWh's per day) recorded by the replacement meter from 08/31/09 to 09/09/09. The three estimated days (08/28/09 to 08/31/09) in the September 2009 bill were based on my review of the actual usage in September along with the weather statistics. I determined it was fair and reasonable to bill these three days at 1,600 kWh's per day. However, after the rebilling of the September bill was completed, I discovered a human error was made during rebilling and the usage was incorrectly entered into APS's billing system as 160 kWh's per day rather than 1,600 kWh's per day for the timeframe of 08/28/09 to 08/31/09. This error was in your favor and therefore was not corrected after it was discovered.

I have enclosed a table (attachment #2) with the total kWh usage, number of days in the bill, per day kWh usage, the dollar amount of the electric bill, the weather statistics and the number of days in the bill that were estimated for the timeframes before, during and after the meter was removed.

In closing, if you have additional information you would like APS to consider for the estimated ten days (08/21/09 to 08/31/09), please contact me before Monday, May 17, 2010. Absent any other communication from you, normal collection activity will resume after this date and the account will be subject to late charges and/or disconnection for non-payment of past due charges. For your convenience, a copy of the April 1, 2010 bill is attached (attachment # 3). If you would like to make payment arrangements on the past due balance of \$1320.92 please contact me directly at 602-250-2280.

Sincerely,



Angela Allison
APS Sr. Consumer Advocate



**SCHEDULE 8
BILL ESTIMATION**

APS (Company) regularly encounters situations in which APS cannot obtain a complete and valid meter read. Situations that result in an estimated meter read include inclement weather, lack of access to a customer's meter, energy diversion, labor unavailability and equipment malfunction. Without a valid meter read, the customer's energy usage and/or demand must be estimated in order to render a bill for the missing read period. A bill based on estimated usage is often referred to as an "estimated bill."

APS uses situation specific methods to estimate electrical usage to ensure that the most accurate usage estimate is obtained. This Schedule describes the estimation methods and procedures used when an actual meter read cannot be obtained or when energy diversion and/or meter tampering has occurred. The estimating process is applicable to customers receiving Standard Offer service and to direct access customers receiving unbundled delivery service from the Company.

1. GENERAL

- 1.1 Estimating a read for energy (kWh) and/or demand (kW) is performed in accordance with the provisions of this Schedule or such supplemental or amendatory guidelines or regulations as may hereafter be established and as provided by law.
- 1.2 This Schedule shall be considered a part of all rate schedules.
- 1.3 Upon discovery of the need to estimate kWh or kW, Company will make reasonable attempt (s) to secure an accurate meter reading and to resolve no-access issues.
- 1.4 Company is not obligated to obtain, or attempt to obtain, a customer supplied meter read prior to sending an estimated bill. In circumstances where APS has agreed in writing to permit customer supplied meter reads in accordance with ACC regulations and that customer fails to provide Company with the meter read, estimation is also allowed.
- 1.5 Estimates due to equipment malfunctions may exceed one month if the malfunction of Company owned or maintained equipment could not be reasonably discovered and/or corrected before the need for additional estimates, or if the equipment malfunction is with regard to customer-owned or maintained equipment.
- 1.6 This schedule is not intended to supersede the Commission's rules and regulations in effect at the time the Commission approved this Schedule 8 without a specific decision of the Commission.

2. BILL ESTIMATION

- 2.1 The causes that result in an estimated bill include but are not limited to:
 - 2.1.1 Inclement weather where conditions prevent meter access or compromise APS employee safety as determined by Company.
 - 2.1.2 Lack of access to the meter either due to conditions on the customer's premise or to road closures that prevent access to the customer's premise.
 - 2.1.3 Equipment or meter failure or malfunction with no reliable information retained by the meter.
 - 2.1.4 Labor unavailability due to circumstances such as unforeseen illness, natural disasters, or other extreme events.

ARIZONA PUBLIC SERVICE COMPANY
Phoenix, Arizona
Filed by: David Rumolo
Title: Manager, Regulation and Pricing

A.C.C. No. 5633
Original
Service Schedule 8
Effective:



**SCHEDULE 8
BILL ESTIMATION**

- 2.1.5 Meter tampering or energy diversion resulting in a lack of accurate metered consumption information.
- 2.1.6 An electronic meter reading is obtained, but the data cannot be transferred to a billing computer.
- 2.1.7 Only a partial read for a meter (for example, the total kWh read is obtained from a time-of-use meter, but on-peak kWh and/or kW reads are unavailable). Company will use the read available, and estimate the missing read(s).
- 2.2 The following defines certain conditions under which a bill is not considered estimated:
 - 2.2.1 A bill based on an actual kWh read, following an estimated bill. This is considered a "true-up" bill and has an explanation of "true-up" on the bill.
 - 2.2.2 Rate changes in the middle of the billing cycle.
 - 2.2.3 A meter failure or malfunction which does not prevent the meter from accurately recording customer usage or from being read.
 - 2.2.4 The meter read is not available using electronic meter reading devices, but data is obtained from a visual meter reading.
 - 2.2.5 Meter reading information is not available because the service is provided on an un-metered basis.
 - 2.2.6 Unbundled service for direct access customers is provided on the basis of load profiles in accordance with ACC regulations rather than using interval data metering.
 - 2.2.7 When Company determines a meter is misread, but the actual read on the meter at the time it was read can be determined, Company makes a manual correction to the incorrect read. This includes, but is not limited to, the following examples:
 - 2.2.7.1 A shut-off read is obtained, and on the same day the monthly meter read is taken and is higher by 1 kWh. The monthly meter read is changed to the same read as the shut off read.
 - 2.2.7.2 The serviceman enters a shut-off or turn-on read and then calls into the office to say he entered the read for the wrong address. The correct reads are entered for the appropriate addresses.
 - 2.2.7.3 Accurate consumption information can be obtained from load research meters.
 - 2.2.8 A bill is estimated, and then rebilled when an actual read is obtained for the same billing period. The first bill is considered an estimated bill and is coded as such. The subsequent bill is considered a corrected bill and is not coded as an estimate, but does contain "corrected bill" language.

SCHEDULE 8
BILL ESTIMATION3. BILL ESTIMATION METHODS

The following section describes the estimation methods used to estimate energy consumption and demand for most instances. Estimation techniques required where special circumstances exist, such as initial bills, are also described. In general, the estimation methodologies utilize historical data.

3.1 ENERGY ESTIMATION (kWh)

For energy estimation, the following hierarchy is used: 1) The estimate will be based on the specific prior month's energy consumption unless that month was an initial bill. 2) If the prior month's customer-specific energy consumption is not available or was an initial bill, the estimate will be based on the customer-specific energy consumption for the same month in the prior year. 3) If the customer-specific prior month or same month last year energy consumption is unavailable but adequate seasonal customer history exists, energy consumption will be estimated based on daily usage during six months of the same season. 4) If specific energy consumption is not available, the estimate will be based on the prior month's energy consumption at that premise unless that month was an initial bill. 5) If prior month's premise energy consumption is not available or was an initial bill, the premise energy consumption for the same month in the prior year will be used to estimate consumption. 6) If premise-specific prior month or same month last year is unavailable but adequate seasonal premise history exists, energy consumption will be estimated based on daily usage during six months of the same season. 7) When adequate customer or premise history is not available, the estimate is based on the customer class average usage found in Section 3.3.1.

For customers served under time-of-use schedules, the hierarchy listed above will be utilized to develop the estimated on-peak and off-peak energy consumption.

For bill estimation purposes, the Summer Season is defined as May through October and the Winter Season is defined as November through April.

The energy estimation methods are described in detail below.

Previous Month Method

Estimated energy usage is calculated as follows:

1. Determine the number of days for the previous month's billing period.
2. Determine the kWh for the previous month's billing period.
3. Divide the previous month kWh by the previous month number of days to determine Previous Month Per Day Usage.
4. Multiply the Previous Month Per Day Usage by the number of days in the missing read billing period to yield the kWh for the missing read billing period.

Same Month Prior Year Method

Estimated energy is calculated as follows:



**SCHEDULE 8
BILL ESTIMATION**

1. Determine the number of days for the same month of the previous year's billing period.
2. Determine the kWh for the same month of the previous year's billing period.
3. Divide the same month prior year's kWh by the same month prior year's number of days to get Same Month Prior Year Per Day Usage.
4. Multiply the Same Month Prior Year Per Day usage by the number of days in the missing read billing period to yield the kWh for the missing read billing period.

Seasonal Average Method

Estimated energy is calculated as follows:

Where there is sufficient seasonal history (the number of days billed in the season is between 165 and 195 days), energy is estimated by calculating the average use per day for the same season as the billing period with the missing read. The resulting per day usage is multiplied by the number of days in the missing-read billing period to yield the usage estimate for the billing period. Seasonal average is calculated as follows:

1. Determine the total number of days from each of the previous six same-season months to yield Seasonal Total Days.
2. Add the kWh from each of the previous six same-season months to yield Seasonal Total kWh.
3. Divide Seasonal Total kWh by Seasonal Total Days to yield the Seasonal Per Day Usage.
4. Multiply the Seasonal Per Day Usage by the number of days in the missing read billing period to yield the kWh for the missing read billing period.

Class Average Method

Estimated energy usage is calculated as follows:

Where neither customer or premise history is not available, energy is estimated by calculating the average use per day for customer served under the same rate schedule. The resulting per day usage is multiplied by the number of days in the missing-read billing period to yield the usage estimate for the billing period.

3.1.1 TIME-OF-USE AND SEASONAL ESTIMATION (kWh):

If the rate for the estimated billing period is a time-of-use rate and sufficient time-of-use history does not exist for a customer or premise, on-peak energy usage is allocated as follows:



ATTACHMENT 1

SCHEDULE 8
BILL ESTIMATION

	Summer (May through October)	Winter (November through April)
Residential		
ET-1	40%	30%
ET-2	25%	16%
ECT-1R	40%	30%
ECT-2	23%	16%
Non-Residential		
All	40%	30%

Seasonal on-peak energy percentages listed above will be modified through general rate case or tariff filings or within three months whenever annual Load Research studies indicate that changes in these data are greater than 5%.

3.2 DEMAND ESTIMATION

For those accounts where the missing read period is billed on a demand rate and the missing read billing period is not for an initial bill, demand is estimated using the following hierarchy:

- 3.2.1 If it is the same customer, use the prior month's demand unless that demand was estimated or is for an initial bill.
- 3.2.2 If it is the same customer, but the prior month's customer-specific demand is not available or was estimated or was an initial bill, use the customer-specific demand read from the same billing month a year ago, unless that demand was estimated or is for an initial bill.
- 3.2.3 If the bill for the same month of the prior year was not for the same customer, or was estimated or for an initial bill, use the premise demand read for the prior month, unless that demand was estimated or is for an initial bill.
- 3.2.4 If the prior month's premise demand was estimated or was an initial bill, use the premise demand read from the same billing month of the prior year, unless that demand was estimated or was for an initial bill.
- 3.2.5 For purposes of this Section 3.2., a demand read is considered "estimated" if the demand was not reset the prior month (or any time thereafter) and the demand read is not greater than the prior month's demand read which was not reset.
- 3.2.6 If none of the above is applicable, apply the rate schedule load factor percentage to the appropriate kWh. The rate schedule load factor percentages are:

<u>Residential:</u>	<u>Load Factor %</u>
EC-1	35%
ECT-1R	42%
ECT-2	46%
<u>Non-residential:</u>	
All	50%

SCHEDULE 8
BILL ESTIMATION

Load factors listed above will be modified through general rate case or tariff filings or within three months whenever annual Load Research studies indicate that changes in these data are greater than 5%.

3.2.7 From time to time, meter reader may be unable to reset demand readings. When this occurs the readings are noted as "Demand Not Reset."

3.2.7.1 In the month when the "Demand Not Reset" is noted, the kWh and kW are not estimates and are used for billing purposes.

3.2.7.2 In the following month, if the meter reader is able to reset the demand, the "Demand Not Reset" notation is removed.

- 1) If the kW reading is less than the reading for the previous month, the demand is used for billing purposes and is not an estimated demand.
- 2) If the demand reading is greater than the previous month when the "Demand Not Reset" was noted, the read demand is used.
- 3) If the demand reading is equal to the demand reading when the "Demand Not Reset" was noted, demand will be estimated using the procedures described in previous sections of this schedule.

3.3 INITIAL BILL

An initial bill is the first bill a customer receives for a premise. Examples of an initial bill include a new meter set where no service has previously been provided, or a previously occupied premise that is now in the new connecting customer's name.

If the billing period for an initial bill is fewer than 11 days and no read was obtained, the customer is billed only a daily basic service charge, and any energy used during this period is included in the following month's billing period usage. If the billing period is 11 or more days, the bill is estimated as follows:

3.3.1 ENERGY USAGE (kWh):

If there is no usage history for the premise, a "minimum usage" estimate is multiplied by the number of days in the missing read billing period. The difference in energy used during this period and the "minimum usage" estimate is included in the following month's billing period usage. The "minimum usage" estimates for total kWh are:

Residential:

E-12 and E-10	23 kWh per day
EC-1	55 kWh per day
ET-1 and ET-2	41 kWh per day
ECT-1R and ECT-2	66 kWh per day

Non-residential:

Under 20 kW	45 kWh per day
Over 20 kW	1,156 kWh per day



ATTACHMENT 1

SCHEDULE 8 BILL ESTIMATION

Initial bill minimum energy usage estimates for total kWh listed above will be modified through general rate case or tariff filings or within three months whenever annual Load Research studies indicate that changes in these data are greater than 5%.

If there is usage history for the premise, energy will be estimated using the applicable method in Section 3.1. If there is no on-peak usage history for the premise, the allocations found in Section 3.1.1 will be utilized.

3.3.2 DEMAND (kW):

For those accounts where the missing read period is billed on a demand rate, demand is estimated as follows:

For initial bills fewer than 11 days, no demand charge is billed.

For initial bills 11 or more days, the kW is estimated using the same hierarchy as indicated in Section 3.2.

3.4 ADVANCED METER INFRASTRUCTURE (AMI) METERS

When a missing read occurs on an account with an AMI meter, an initial attempt to estimate will be performed using partial month data as available. AMI meter data is normally collected on a daily basis, and therefore would be used to compute an estimate for the billing month, even if some of these daily reads are missing.

3.4.1 For initial and normal bills of 11-24 days:

If the latest AMI meter data is available with a meter reading of 11 or more days since the last read date for the previous billing month:

- 1) Review the daily AMI incremental reads to determine the total energy consumption, on-peak percentage and demand for the billing month. Use reads from the latest AMI data to determine a per-day usage value and multiply by the number of days in the current billing period to yield the estimates for total and on-peak usage.
- 2) If the AMI meter data is unavailable use the estimation methods for non-AMI meters.

3.4.2 For initial and normal bills of 10 or less days, use the estimation methods described in Section 3.3.

3.5 DEAD OR FAILING METER

For accounts where it is determined the meter is dead or failing, no adjustment to the bill will be made until the new meter is in place at least 11 days. Then the usage for the previous month(s) is to be determined by taking the lower of the per day usage calculated from the new meter, less 3%, or the Same Month Prior Year Method described in Section 3.1. Charges for underbillings of dead or failing meters will be limited to three months for residential accounts and six months for non-residential accounts, in accordance with Schedule 1 Section 4.3. In instances where Company believes the customer's usage patterns were different during the dead or failing meter period than those being used to estimate, Company may adjust its estimate downward from either method.

SCHEDULE 8
BILL ESTIMATION3.6 ENERGY DIVERSION OR METER TAMPERING

In instances where energy diversion or meter tampering has occurred, meter reads from the customer's meter will not accurately reflect all of the energy usage. Energy consumption for the period during which the diversion or meter tampering occurred shall be estimated by calculating a per day usage based on the best available information. This may include 1) metered data obtained from an auxiliary meter installed during the diversion investigation; 2) meter information obtained from the customer's meter after the diversion or meter tampering was discovered by Company and stopped; and 3) consumption history for the customer or site prior to when the diversion or meter tampering began.

In some instances, the estimated consumption based on per day usage may be less than what the customer's meter actually registered during the time period. In those cases, the actual usage will be used in the calculation of the total energy diversion or meter tampering back bill.

3.7 NON-CUSTOMER INFORMATION SYSTEM ESTIMATES

In some instances, an account is coded to not be automatically estimated by Company's Customer Information System (CIS). This occurs when, due to special circumstances of the account (such as: served at substation voltage, receives a power allowance from a federal agency, partial requirements/self-generation, etc.), manual intervention in the billing process is required. For those accounts which are coded to not be automatically estimated by the CIS, additional attempts may be made to obtain meter readings which will be used for billing. If reads are not obtained, then energy and demand will be estimated, using the applicable methods described in this Schedule.

3.8 REBILLS OF PREVIOUS ESTIMATES

In instances where the reads from the previous month are estimated and a subsequent actual read is obtained, the following "true-up" is performed.

3.8.1 ENERGY USAGE

If the actual read following an estimated read is either lower than the estimated read, or, in Company's opinion, considerably higher than the previously estimated read(s), then per day usage is calculated using the difference in kWh between the last actual read and the current month actual read. The per day usage is multiplied by the number of days in each estimated month and each affected month is rebilled using the new per day usage kWh.

3.8.2 DEMAND

If the actual demand read obtained after an estimate is lower than the estimated demand read, the previous month(s) estimated demand read(s) are lowered to the subsequent actual demand read.

The estimates used in this Section 3.8 take precedence over the estimating methods described elsewhere in this Service Schedule.

Meter Reading Date	Total kWh Usage	# of Days	Per Day kWh Usage	Electric Bill	Description	# of Days Estimated	Average Temp for Zip Code 85016
5/29/2009	43360	31	1399	\$4,551.60	No estimate	0	84
6/29/2009	42080	31	1357	\$4,445.18	No estimate	0	88
7/29/2009	55520	30	1851	\$5,592.41	No estimate	0	98
8/28/2009	51520	30	1717	\$5,286.51	Partial estimate	7 *	94
9/25/2009	39360	28	1406	\$4,452.12	Partial estimate	3 **	91
10/26/2009	37760	31	1218	\$4,173.75	No estimate	0	79
11/24/2009	20480	29	706	\$2,607.97	No estimate	0	67
12/28/2009	17600	34	518	\$1,640.34	No estimate	0	55

* APS estimated seven days (08/21/09 to 08/28/09) of the August bill using the per day usage registered on the replacement meter.

** APS issued the September 2009 bill based on 25 days of actual reads. 3 days were billed at only 160 kWh's per day due to Rep error.